

# Total Produce

Annual General Meeting 2009



- ❖ Company overview and industry challenges
- ❖ Financial highlights
- ❖ Development activity
- ❖ Strategy and targets
- ❖ Why invest in Total Produce?
- ❖ Conclusion



## *Total Produce today.....*

- ❖ Stands at the forefront of the fresh produce industry
- ❖ One of the leading fresh produce companies in Europe with sales of €2.5 billion +
- ❖ Leading produce company in Ireland, Spain, Sweden, Denmark and Czech Republic. Large operations in the Netherlands, UK, Italy and Slovakia.



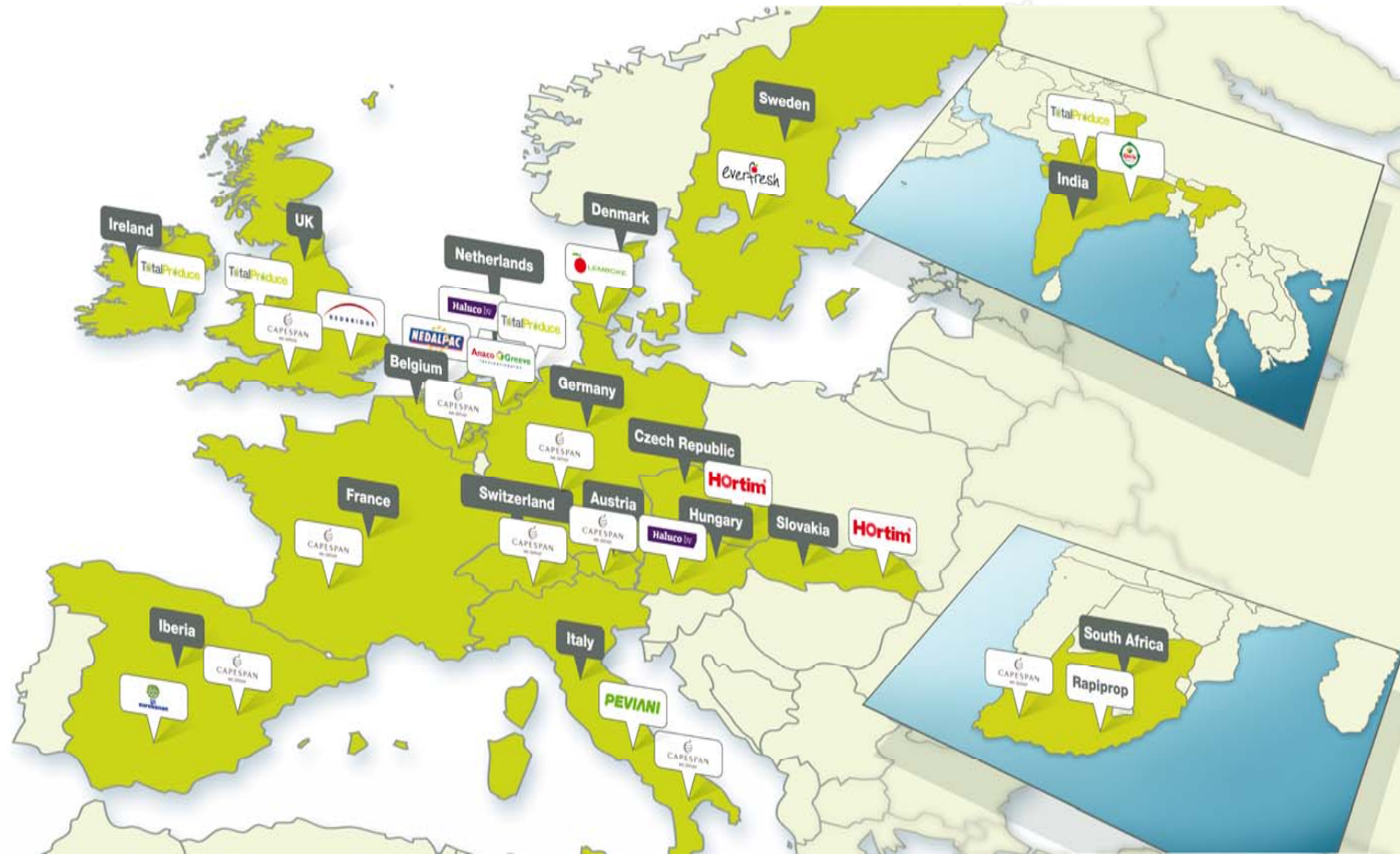
## *Scale and reach.....*

- ❖ Sales of €2.5 billion +
- ❖ 86 facilities in 17 countries
- ❖ 4,000+ employees
- ❖ 200+ lines of fresh produce and vegetables
- ❖ 250m cartons distributed annually



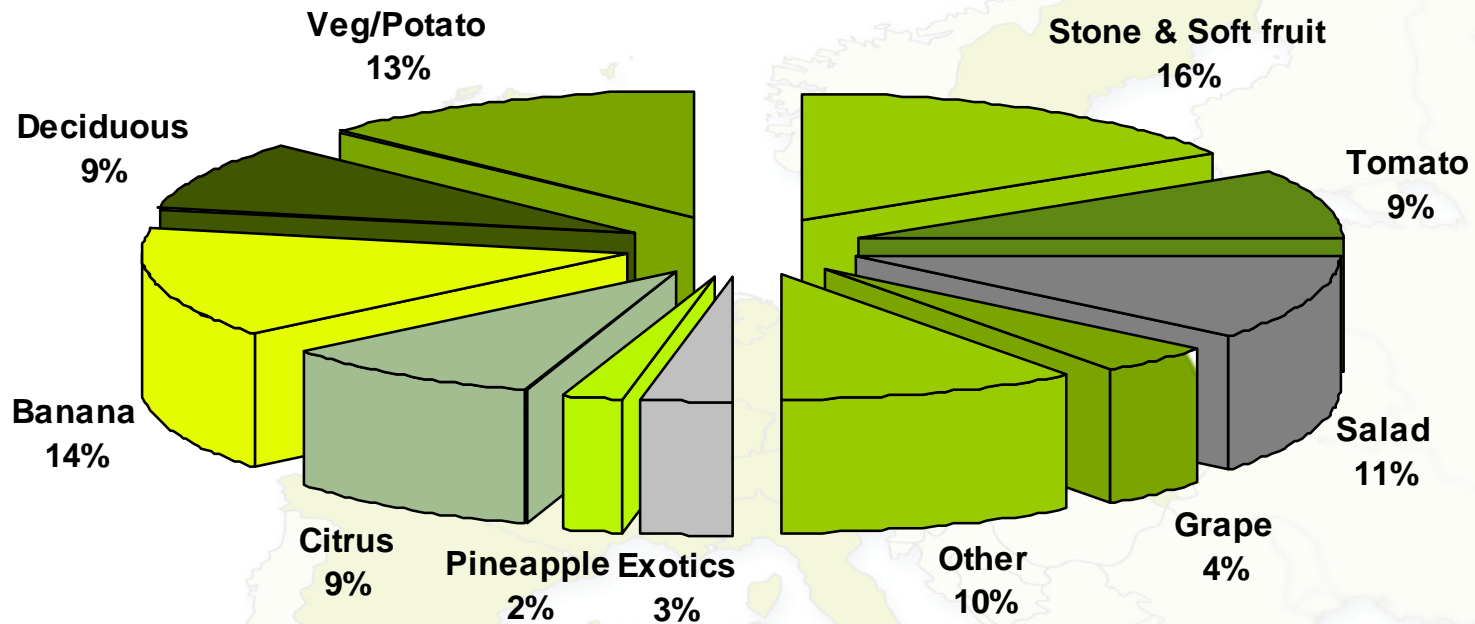
# Company overview

## Our reach



# Company overview

## Our product portfolio



## **Consumer sentiment/ downturn in consumer spend**

### *Impact on Total Produce?*

- ❖ Fresh produce is perceived as essential by 90% of consumers \*
- ❖ Consumers expectations of their expenditure on fresh fruit and vegetables in next 12 months \*
  - 65% no change
  - 26% increase
  - 9% decrease

*\*"Feeling the Pinch? The Tactical And Strategic Learning Emerging From The Changing Consumer Landscape", courtesy: Bord Bia, February, 2009*



## ***Consolidation in European retail sector***

### *Impact on Total Produce?*

- ❖ Consolidated retail base requires consolidated supplier base
- ❖ Opportunities for retailers and suppliers to grow together
- ❖ Retailers demand efficiency and collective procurement





# Industry challenges (cont'd)

## ***Volatility in costs/ markets/ economies***

*Impact on Total Produce?*

- ❖ Macro-economic factors
- ❖ Spread and scale
- ❖ Currency translation



# Our competitive advantage

## *Total Produce: well positioned to compete in a competitive environment*

- ❖ Leading fruit company in many of our key markets
- ❖ Successful track record in acquisitions and forging effective strategic partnerships
- ❖ Strong long term relationships with a diversified supplier base
- ❖ Diversified and large customer portfolio across Europe
- ❖ State of the art distribution facilities
- ❖ Experienced management to deal with difficult economic environment
- ❖ Strong balance sheet with cash generating profit streams to facilitate further expansion

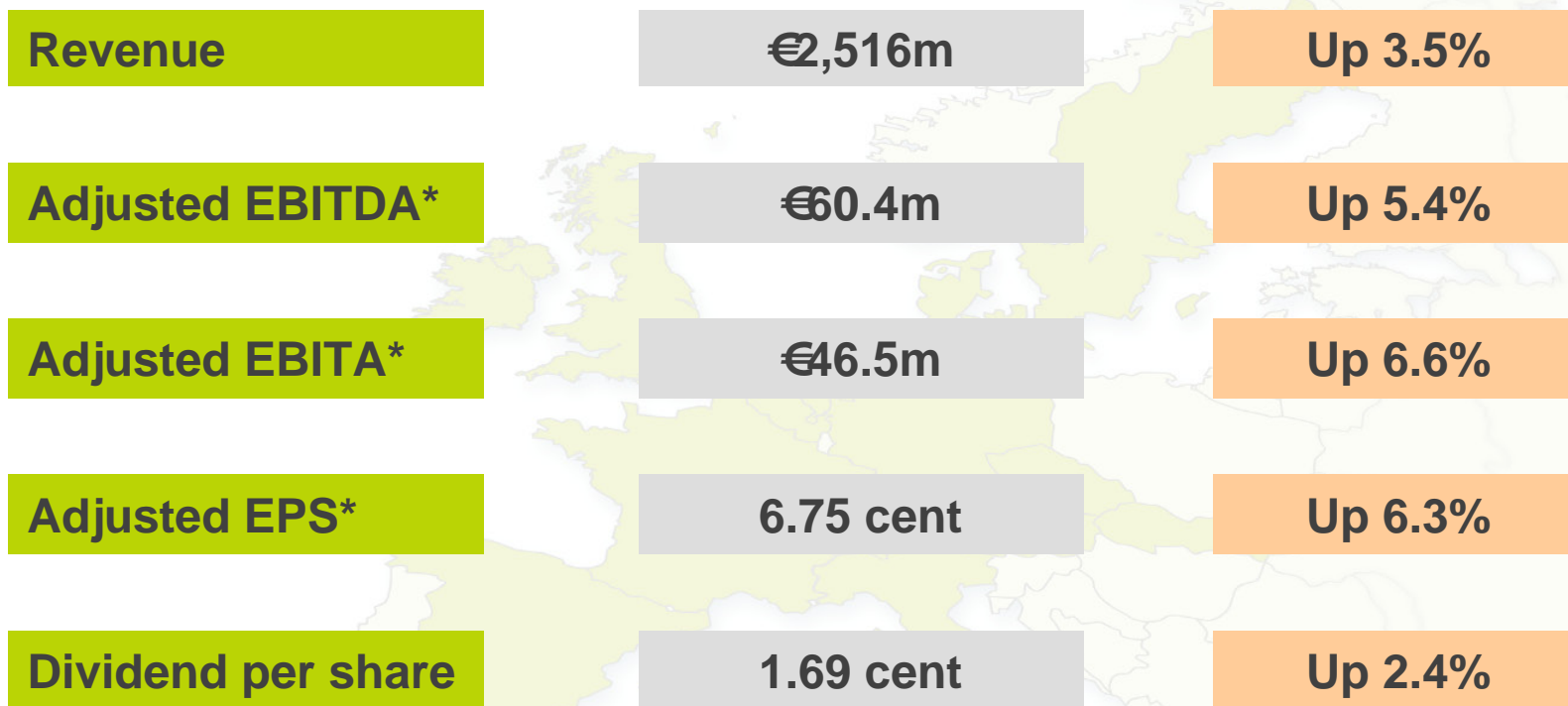




## Financial Highlights



# 2008 financial highlights



*\*Excludes fair value movements on investment property, exceptional items, amortisation of intangible assets and related tax*



# Two year cashflow

	€m	€m
<b>Pro-forma net debt on demerger at 30 December 2006</b>		<b>(60.2)</b>
<b>Inflows</b>		
Trading inflows before interest and tax	107.1	
Net interest & corporation tax payments	<u>(28.1)</u>	
<b>Trading inflows after interest and tax</b>	<b>79.0</b>	
Working capital inflows	<u>24.7</u>	<b>103.7</b>
<b>Outflows</b>		
Acquisition spend, include cash/debt arising on acquisition	(69.0)	
Capital expenditure, net of disposals	(29.2)	
Dividends to equity shareholders	(7.7)	
Dividends to minority shareholders / other	<u>(6.1)</u>	<b>(112.0)</b>
<b>Translation adjustment</b>		<u><b>8.3</b></u>
<b>Net debt at 31 December 2008</b>		<b><u>(60.2)</u></b>



# 5 year summary

	2008	2007	2006	2005	2004
Sales	2,516	2,431	1,861	1,676	1,547
Adjusted EBITDA*	60.4	57.4	51.1	48.4	44.7
Adjusted EBITA*	46.5	43.7	38.8	37.8	34.8
Interest (including share of JV interest charge)	(5.7)	(4.8)	(2.8)	(2.7)	(2.5)
Taxation (excluding exceptional items)	(10.7)	(11.5)	(9.7)	(11.2)	(9.3)
Minority interests (excluding exceptional items)	(6.3)	(5.1)	(6.2)	(7.0)	(6.2)
Adjusted earnings attributable to ordinary shareholders	<u>23.8</u>	<u>22.3</u>	<u>20.2</u>	<u>16.8</u>	<u>16.8</u>
Adjusted earnings per share (cent)*	6.75	6.35	5.70	4.76	4.76

*\*Excludes fair value movements on investment property, exceptional items, amortisation of intangible assets and related tax*



## 5 year summary (cont'd)

- ❖ Revenue has grown from €1,547m in 2004 to €2,516m in 2008 (compounded growth of 12.9% per annum)
- ❖ Adjusted EBITA has grown from €34.8m in 2004 to €46.5m in 2008 (compounded growth of 7.5% per annum)
- ❖ Adjusted EPS has grown from 4.76 cent in 2004 to 6.75 cent in 2008 (compounded growth of 9.1% per annum)



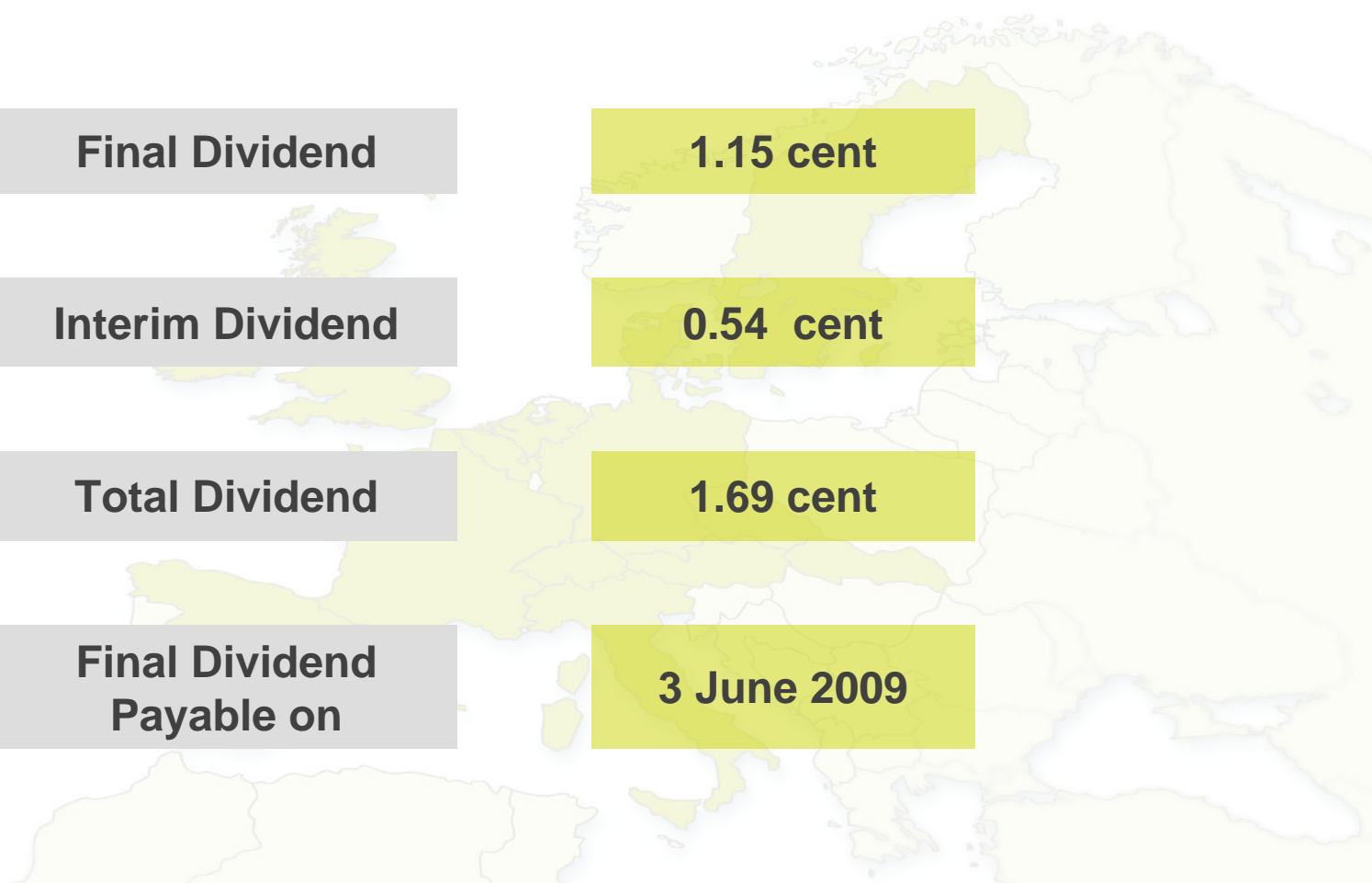
# Summary balance sheet

	31-Dec-08 €m	31-Dec-07 €m
Tangible assets	134.0	136.4
Intangible assets/goodwill	119.1	123.6
Investment in JVs	35.9	41.5
Trade investments	8.2	9.5
Working capital	14.1	8.2
Provisions and deferred consideration	(11.4)	(11.6)
Other	(2.2)	(3.6)
Pension liability (net of DT)	(14.5)	(0.6)
Corporation and deferred tax (ex. DT on pension)	(24.9)	(21.7)
Net debt	<u>(60.2)</u>	<u>(72.0)</u>
<b>Net assets</b>	<b>198.1</b>	<b>209.7</b>
Shareholders' funds	144.6	163.7
Minority interests	<u>53.5</u>	<u>46.0</u>
<b>Shareholders' funds &amp; minority interests</b>	<b>198.1</b>	<b>209.7</b>





# Dividend



<b>Final Dividend</b>	<b>1.15 cent</b>
<b>Interim Dividend</b>	<b>0.54 cent</b>
<b>Total Dividend</b>	<b>1.69 cent</b>
<b>Final Dividend Payable on</b>	<b>3 June 2009</b>





**Development activity**



- ❖ Pipeline of medium-sized opportunities in Europe
- ❖ Targeting our existing markets along with other European countries
- ❖ Possibilities for further acquisitions with considerations between €20m and €40m, similar to Redbridge and Haluco deals
- ❖ Economic environment may open up acquisition opportunities



## ❖ Haluco B.V. and Nedalpac B.V.

- Group completed the acquisition of a 60% interest in two Dutch companies on 31 August 2008
- Total initial consideration of €9.5m with further consideration payable in 2011 if certain profit targets are met by the companies during the three years ended 31 Dec 2010
- Expected to contribute €275m to full year revenue in 2009



# Acquisitions (cont'd)

## ❖ Haluco B.V. and Nedalpac B.V. (cont'd)

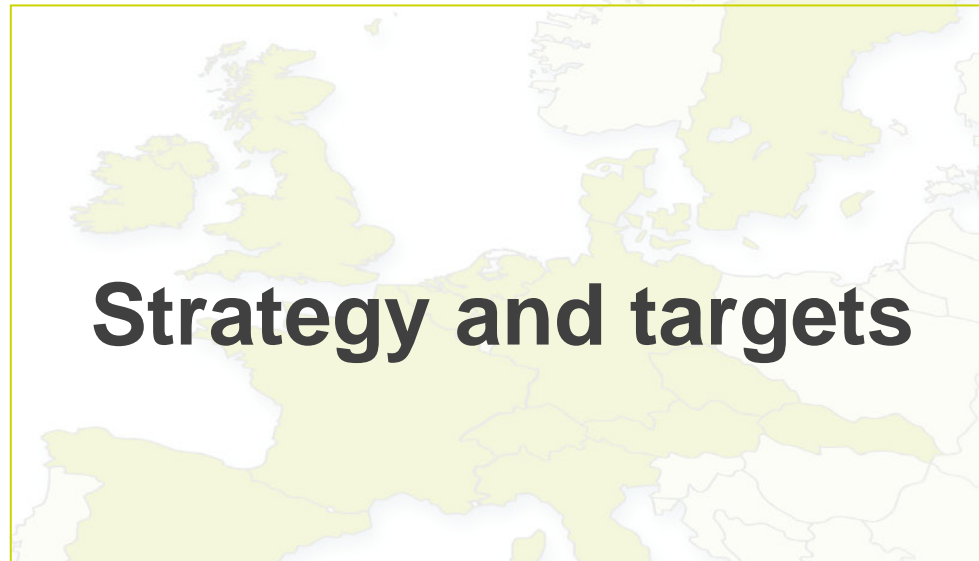
- The Companies are leading providers of fresh produce, specialising in Dutch salad products, mainly tomatoes, capsicums and cucumbers which they supply to customers across Europe
- The acquisition will enhance the Group's spread of business as c. 50% of Haluco's revenues are into Germany
- Acquisition will offer an increased product offering for our customers and will offer procurement synergies with Scandinavia and UK
- Acquisition was earnings enhancing in 2008



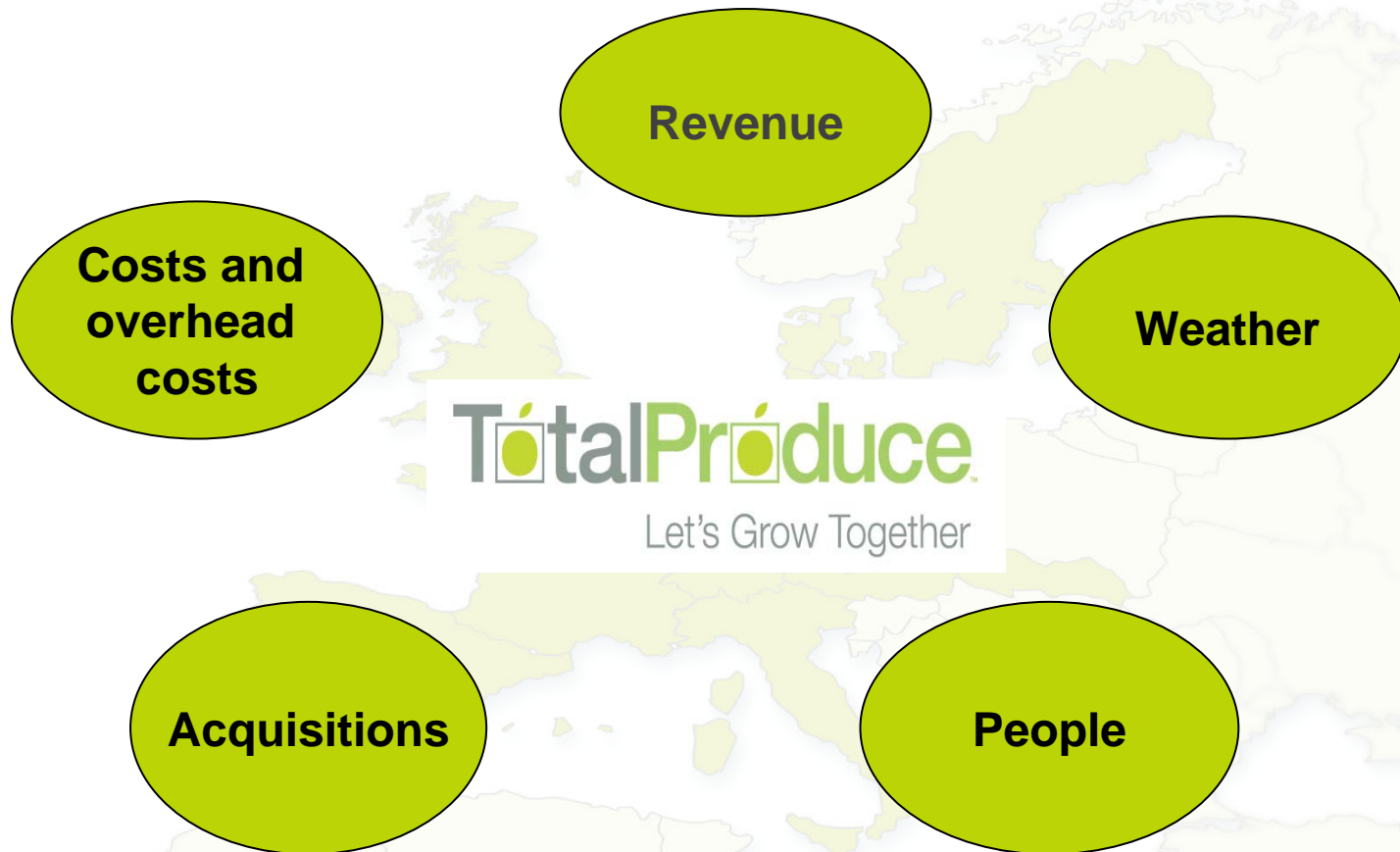
# Acquisitions (cont'd)

- A significant part of the Group's strategy is the completion of bolt-on acquisitions
- In 2008, the Group successfully completed 5 bolt-on acquisitions
- In April 2009, the Group acquired a 50% interest in ASF Holland B.V. a soft fruit business in the Netherlands.
- Significant focus will continue where opportunities for consolidation exist and the current economic climate may increase the Group's opportunities in this area





# Key performance drivers





- ❖ **Total Produce is ambitious to continue to expand by:**
  - Pursuing a focused strategy
  - Seeking medium and large acquisitions to expand the Group's existing operations
  - Acquisitions in existing and in new countries
  - Pursuing alliances and investments with producers worldwide giving them access to the leading produce company in the EU
  - Five-year goal to double turnover to €4.0bn



# Why invest in Total Produce?



**Why invest in Total Produce?**



# Why invest in Total Produce ?

Strong and predictable cashflows



Generated c.€80m of operating cashflows in past 2 years after servicing debt

Investors more risk adverse



Total Produce is an attractive lower risk option in the food sector

Increased investor focus on dividend



Total Produce has an attractive dividend yield

Diversified earnings stream



The Group's earnings are well diversified across countries, products and customers

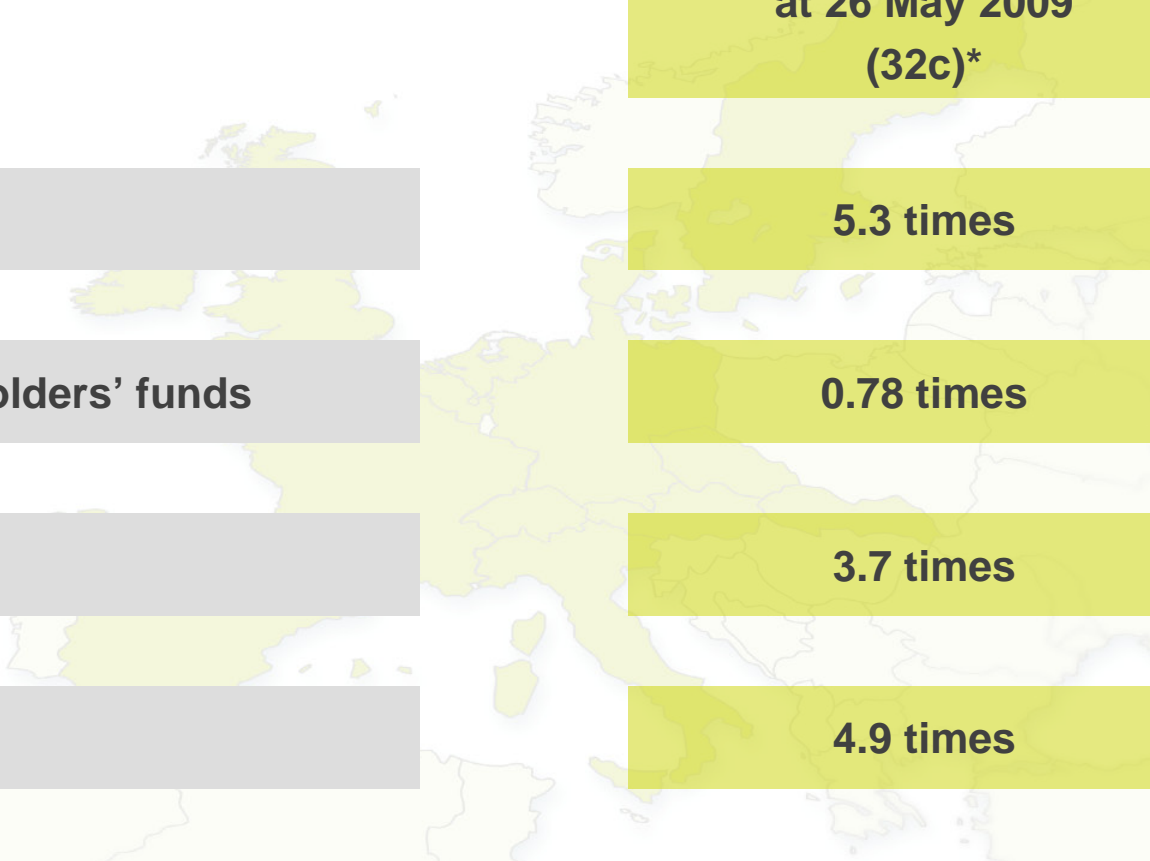
Successful track record of expansion



Opportunities for expansion in a fragmented industry



# Market valuations



	<b>Share Price at 26 May 2009 (32c)*</b>
<b>P/E Ratio</b>	<b>5.3 times</b>
<b>Price/shareholders' funds</b>	<b>0.78 times</b>
<b>EV/EBITDA</b>	<b>3.7 times</b>
<b>EV/EBITA</b>	<b>4.9 times</b>



- ❖ Satisfactory performance in 2008
- ❖ Total Produce remains positive about the fundamentals in its markets and its position as one of the leading produce companies in Europe
- ❖ Group's activities and income are geographically spread across Europe
- ❖ Group is cash generative with a strong balance sheet to support acquisitions
- ❖ As noted in second half of 2008, consumer demand is less certain in a tougher economic climate and prudent to take a more cautious view of prospects for 2009
- ❖ Total Produce is targeting a very solid adjusted EPS of 5.5 to 6.5 cent per share on 2009 target revenues of €2.6 billion



# TótalPróduce™

